

**Development Committee****16 June 2014****Shetland Fishermen's Association – Meeting the Terms of the EU Discards Ban**

Report No: DV026-F

Executive Manager – Economic Development**Economic Development Service/
Development Services Department****1.0 Summary**

- 1.1 This report has been prepared to introduce a presentation by Mr Simon Collins, Chief Executive of the Shetland Fishermen's Association about the steps being taken in Shetland to comply with the fishery discards ban that is being introduced by the EU. The content of the presentation ties in well with the Statement of Intention for Protecting Shetland's Marine Environment, which is reported later in the agenda of this meeting.

2.0 Decision Required

- 2.1 That the Development Committee note the contents of Mr Collin's presentation, and comment on the work being done by the Shetland Fishermen's Association to identify the best method of regulating fisheries effort to comply with the EU discard ban.

3.0 Detail

- 3.1 The EU has decided to introduce a ban on fish being discarded from fishing boats once caught and this regulation will be introduced to be fully effective by 2016.
- 3.2 While a discards ban as proposed may be more practical in single species fisheries, there are many complications in multi-species fisheries as exist in the rich fishing grounds around Shetland.
- 3.3 The Shetland Fishermen's Association are working hard to identify the most practical ways to regulate fishing on a mixed fishery so that the environmental aims can be achieved without impacting too negatively on the fishing vessels involved and the local supply chain.

4.0 Implications

Strategic

- 4.1 Delivery on Corporate Priorities – The purpose of this report resonates well with the Healthy Economy –Strong Communities section of the Corporate Plan 2013-17.
- 4.2 Community /Stakeholder Issues – The purpose of the Shetland Fishermen’s Association is to represent the local fishing industry which will have an impact on all ancillary trades and the communities in Shetland served by these businesses, in addition to the fishing boats.
- 4.3 Policy and/or Delegated Authority – One of the objectives of the Council’s Economic Development Policy Statement 2013-17 is to “develop local control and management of resources”. This report complies with that objective.
- The Development Committee has delegated authority to implement decisions within its remit, in accordance with Section 2.3.1 of the Council’s Scheme of Administration and Delegations.
- 4.4 Risk Management – Proposals to reduce or end the discarding of fish that have been developed locally to serve the unique nature of our fishing grounds should have a better chance of ecological success.
- 4.5 Equalities, Health and Human Rights – None.
- 4.6 Environmental – A practical approach to sustainable fisheries will have the most positive impact on the environment.

Resources

- 4.7 Financial – None.
- 4.8 Legal – None.
- 4.9 Human Resources – None.
- 4.10 Assets and Property – None.

5.0 Conclusions

- 5.1 It is important that Members of the Development Committee are aware of the proposals being developed in Shetland on how to regulate our fisheries in line with the EU discard ban.

For further information please contact:
Douglas Irvine, Executive Manager- Economic Development
01595 744932 Douglas.Irvine@shetland.gov.uk
Report Finalised: 05.06.14

END

**Development Committee****16 June 2014****Shetland Amenity Trust - Architectural Heritage Programme 2014/15**

Report No: DV028-F

Project Manager**Economic Development Service/
Development Services Department****1.0 Summary**

- 1.1 The purpose of this report is to update the Development Committee on the current position regarding the funding of the Shetland Amenity Trust's Architectural Heritage Programme.

2.0 Decision Required

- 2.1 That the Development Committee RESOLVE to approve the proposed reduced core funding grant of £85,000 for Shetland Amenity Trust's Architectural Heritage Programme for the current 2014/15 financial year, and note the context of a phased reduction and the removal of this grant in the subsequent years.

3.0 Detail

- 3.1 Shetland Charitable Trust (SCT) provided core funding for the Architectural Heritage Programme until 2005/06, when it was transferred to the Council as part of a range of transfers that followed a joint review of services. The Council and SCT undertook that review following a fall in the value of SCT's investments that meant its then current spending commitments would diminish SCT's reserves, contrary to the Trust's policy.
- 3.2 The programme funding was subsequently transferred from the Council's Capital Programme to the Infrastructure Committee, with funds latterly being drawn from the Reserve Fund. In 2009/10 £285,600 of core funding was awarded by Infrastructure Committee to the Architectural Heritage Programme. In 2010/11 the Development Committee took over responsibility and budget for the programme and awarded a reduced grant of £250,000; in 2011/12 the Development

Committee awarded a reduced grant of £245,000; in 2012/13 the Development Committee awarded a further reduced grant of £225,000; and finally in 2013/14 the Development Committee awarded a reduced grant of £170,000.

3.3 Shetland Amenity Trust established the following strategic objectives for the Architectural Heritage Programme:

- Protection and restoration of Shetland's architectural heritage to both enhance visual amenity and conserve cultural heritage for the benefit of the public
- Encourage the use of traditional building methods and materials

3.4 The Programme has been involved in the creation of local museums, the development of heritage accommodation and has brought back into use a wide range of historic buildings ranging from modest properties now in use as camping bōds through to lighthouses. The workforce undertakes contractual work for others as well as carrying out maintenance on properties for which SAT is responsible.

3.5 The economic benefits of the Programme are identified in Table 1 below:

Measurable benefits	Details
Jobs maintained	19
Turnover generated	Forecast for 2014-15 : £810,000 (including proposed grant funding)
Wages generated	£400,000
Total impact on economy	$£400,000 * 1.265 = £506,000$ (multiplier from Regional Accounts 2010)

3.6 The Architectural Heritage Service/Project Plan for 2014/15 is attached in Appendix 1.

3.7 The Shetland Amenity Trust have applied for grant funding of £85,000 against the costs of the Architectural Heritage Programme as identified in Table 2 below:

Item or activity	Amount
Salaries & Wages	£400,000
Construction Overheads	£40,000
Health & Safety Management System	£12,000
Planned Maintenance - offices/workshops	£110,000
Project Development	£25,000
Construction costs	£200,000
Vehicle maintenance	£23,000
Total	<u>£810,000</u>

Funder	Amount
Shetland Amenity Trust	£725,000
Shetland Islands Council	£85,000

4.0 Implications

Strategic

4.1 Delivery on Corporate Priorities – This Programme supports two aims of the Corporate Plan, namely, “Helping build a healthy economy and strong communities”, and “Working with all our partners to achieve the best results possible”. As the effects of this Programme are tangible, the significance of the support is large. As the proposed support for the Programme is part of a phased reduction, it also addresses the aim of “Being a properly led and well-managed Council, dealing with the challenges of the present and the future, and doing that within our means”.

4.1.1 Individual projects within the programme will also help to deliver a range of Shetland-wide strategies, including:

- The Scottish Government Economic Strategy
- The Shetland Partnership Single Outcome Agreement 2013
- The Shetland Structure Plan
- Shetland Local Plan
- Shetland Cultural Strategy and Action Plan
- Economic Development Policy Statement 2013-2017
- A Heritage Plan for Shetland.

4.1.2 Providing support for the Programme is consistent with the Economic Development Service Plan 2014-15 aim to “Ensure stewardship of local culture and heritage is delivered to a high degree”.

4.2 Community /Stakeholder Issues – This Programme provides input to a wide variety of projects throughout Shetland, and these projects have community / stakeholder involvement in their own rights, e.g. Sumburgh Head lighthouse.

4.3 Policy and/or Delegated Authority – This report has been prepared with regard to the pledges contained in the Council’s Economic Development Policy Statement. The Policy Statement was approved by the Development Committee on 14 August 2013 [Min Ref: 37/13] and by the Council on 20 August 2013 [Min Ref: 66/13].

In accordance with section 2.3.1 of the Council’s Scheme of Administration and Delegations, the Development Committee has delegated authority to implement decisions within its remit.

4.4 Risk Management – In providing core funding for the Architectural Heritage team at the SAT there is a risk that projects bid for by the SAT could have an element of double funding or provide SAT with an unfair advantage when bidding against other private sector businesses for project work. This risk can be mitigated by monitoring of the attached grant conditions (see Appendix 3).

4.4.1 Failure to reduce the net ongoing running costs of the Council carries a significant risk of the Council's financial policies not being adhered to and will require a further draw on reserves.

4.5 Equalities, Health and Human Rights – None.

4.6 Environmental – None.

Resources

4.7 Financial – The SAT have requested a core funding grant of £85,000 for the 2014/15 Architectural Heritage Programme. This reduced grant funding of £85,000 has been included in the Economic Development discretionary grants budget for 2014/15, which was approved at the Special Development Committee on 20 November 2013 (Min.Ref.53/13).

4.7.1 The grant of £85,000 represents a reduction of 50% of the grant approved in the past financial year. This is part of a phased withdrawal of the Architectural Heritage Programme grant funding by the Council. Shetland Amenity Trust will not apply for Architectural Heritage Programme grant support in subsequent years. Discussions have taken place with the SAT management team who believe that they can accommodate these phased reductions in core funding, albeit with some inevitable reduction in the scale and scope of the activity undertaken. There is no external funding available for this activity.

4.7.2 Under the Local Government in Scotland Act 2003 the Council has a duty to make arrangements that secure best value. Best value is continuous improvement in the performance of the authority's functions taking into account efficiency, effectiveness, economy and equal opportunities.

4.8 Legal – None.

4.9 Human Resources – None.

4.10 Assets and Property – None.

5.0 Conclusions

- 5.1 SAT's Architectural Heritage projects in general and historically have wide community support and the importance of the contribution to local communities is recognised throughout Shetland and beyond. The Architectural Heritage Programme retains a body of expertise and knowledge in restoration techniques which has proven invaluable in the restoration of many of Shetland's historic buildings and monuments (listed in Appendix 2), contributing towards heritage tourism product development; a very important element in the promotion of Shetland as a place to visit and in which to live.

For further information please contact:

Jon Dunn

01595 744951

jon.dunn@shetland.gov.uk

Date Cleared: 05 June 2014

List of Appendices

- 1 Shetland Amenity trust Architectural Heritage 2014/15 Service / project plan
- 2 Register of works undertaken
- 3 Proposed conditions of grant

Background documents:

END

SHETLAND AMENITY TRUST

ARCHITECTURAL HERITAGE

2014/15 SERVICE/PROJECT PLAN

Strategic Objectives:

- Protection and restoration of Shetland's architectural heritage to both enhance visual amenity and conserve cultural heritage for the benefit of the public.
- Encourage the use of traditional building methods and materials.

Key Targets 2014 - 15	Success Criteria	Progress/Comment
Health and Safety <ul style="list-style-type: none"> • Ensure the provision of a Safety Management System (SMS) for Shetland Amenity Trust (SAT) • Provide suitable advice on Health and Safety issues to all staff. • Check that SMS is being complied with • Ensure that Health and Safety risks with the Architectural Heritage (AH) section are identified, communicated and managed. 	<ul style="list-style-type: none"> • An adequate and fit for purpose SMS in place • Staff are informed of legislation • An adequate audit system is in place • AH workforce is provided with sufficient information: risk assessments, COSHH assessments, PPE, Welfare facilities, tools and equipment to enable them to work safely. 	
Training <ul style="list-style-type: none"> • Ensure competence of AH staff. 	<ul style="list-style-type: none"> • Training plan in place and training provided. 	<p>Potential to build on the successful dry stone wall building courses run in 2013. Opportunities include: stone walling; anti-fouling and painting of boats; etc.</p>
Heritage Works <ul style="list-style-type: none"> • Promote the conservation of buildings and materials. • Undertake heritage building repairs 	<ul style="list-style-type: none"> • Promote conservation building techniques. • Maintain a store of sufficient materials for use in maintaining and restoring buildings • Undertake repair works to arrest deterioration and possible collapse of Girdsta Limekiln. • Maintain SAT's portfolio of properties. • Provide maintenance support to Shetland Arts and RSPB. 	
Scheduled Monuments Fethaland	<ul style="list-style-type: none"> • seek funding to undertake conservation works. 	

Architectural Heritage Service / Project Plan 2014/15

Key Targets 2014 - 15	Success Criteria	Progress/Comment
<p>Girlsta Limekiln</p>	<ul style="list-style-type: none"> 2011 survey highlighted additional works Continue to seek additional funding for identified works and undertake repairs. Monitor the 'tell-tales' installed and initiate emergency response, if further movement in structure detected. 	
<p>Sumburgh Lighthouse</p> <ul style="list-style-type: none"> Lead the day to day development of the project 	<ul style="list-style-type: none"> Project manage the project to works completion in c May 2014. Provide Clerk of Works. Provide front line support to manage the clearing of 'snagging' items and full project management to completion and financial closure of the project. 	
<p>Shetland Museum and Archives</p> <ul style="list-style-type: none"> Provide 1st line maintenance services and technical advice on general maintenance issues 	<ul style="list-style-type: none"> Provide technical and managerial support as required to fully induct the new Facilities Manager. Ensure all required works, including backlog, are completed and a fit for purpose service level achieved. 	
<p>Town Hall, Lerwick</p> <ul style="list-style-type: none"> Assist SIC to prepare a strategy and obtain funding to undertake necessary renovations of the Stained glass windows and walls. 	<ul style="list-style-type: none"> Develop a suitable conservation strategy to conserve the Town Hall windows. Obtain HLF stage 1 and Stage 2 funding. Identify other potential funding bodies and obtain funds. Obtain Listed Building consent Upgrade the 'Listing' of the building from category B to A 	
<p>Projects</p> <ul style="list-style-type: none"> Brough Lodge Complete the final fit out the Viking Longhouse in Unst Maintain the ruin at Voe House in Wall's. Progress the construction works to erect a new building and workshop to safely store 	<ul style="list-style-type: none"> Complete new additional works by end July 2014. Funding is in place for the construction of a new boat store building. Seek tenders and complete construction works in 2014. NB. Assist with obtaining funding to implement and engage a 	

Architectural Heritage Service / Project Plan 2014/15

Key Targets 2014 - 15	Success Criteria	Progress/Comment
<ul style="list-style-type: none"> and maintain the collection of historic boats. Meal Road bridge, Brig o Waa's Windmill, Havra Repairs to Halligarth in Unst for National Trust for Scotland. Re-roof Old Haa at Burravoe in Yell Re build storm damaged sea walls at Sand Lodge in Sandwick. 	<ul style="list-style-type: none"> boat building apprenticeship. The Old Haa trust have been successful in obtaining funding for a new roof. Complete these works in 2Q and 3Q 2014. Progress other works to satisfaction of clients. 	
Volunteers <ul style="list-style-type: none"> Support work of local conservation volunteers 	<ul style="list-style-type: none"> Opportunities identified to actively engage the conservation volunteers with 'habitat' enhancement works at Sumburgh Head. Implement and undertake a programme of repairs to the Nil Desperandum. 	

Stonemason / General	Progress
SIC <ul style="list-style-type: none"> Town Hall: Pointing of stonework Isleburgh: Phase 1, repairs to stonework, roofing and re-pointing Whalsay School: roof and wall repairs (in school holidays) 	All complete
Repair Pointing at Front of Museum and Hays Dock	Stage 1 complete
Chimneys / Pediments / Copes / Boundary walls at Sumburgh	Complete
Buness Pier	Minor Repairs completed
General	
Shetland Museum and Archives <ul style="list-style-type: none"> Maintenance support Overhaul Doors in Boat shed 	On program
Brough Lodge Complete external works to make building wind and water-tight	Delay due to extreme weather in Q1 14. Complete in Q1 14.
Croft House Museum <ul style="list-style-type: none"> Thatch roofs 	complete
Jonny Notions <ul style="list-style-type: none"> Replace roof felt Finish chimney flashings etc. Internal repairs 	Delayed, complete in Q2 14 complete
Sail Loft Voe internal painting	complete
Sumburgh Head 'Additional' Joiner work <ul style="list-style-type: none"> Renovate windows Re-build internal of WW11 Radar Hut Make furniture and fittings for shop Radar Hut Furniture – desk and map table Overhaul and restore engines Ditto Foghorn Final Landscaping and habitat enhancement - 	All (except windows) additional work to that included in main contract. All complete.
Enviroglass Production Workshop Renovate and internally modify the existing Enviroglass production shop in preparation for new equipment.	complete
New Boat Store and Traditional Boat Repair centre.	Funding in place. Design work Q4 13; tender Q1/2 14 and construction work in Q3 14.
Repairs to Nil Desperandum Engage with volunteers to undertake a programme of works to arrest deterioration.	Preparatory works done in Q3 13 and further works planned for Q2 14.
Viking Longhouse Undertake works required to prepare site for visitors.	Highlight of season was an 'axe training course' run by Museum

	Centre of Hordaland in Norway
Skipbladner (Unst) Maintain Viking Ship in partnership with Unst Heritage volunteers.	External of boat coated and decking removed for repairs.
Unst Heritage Centre External repairs to maintain appearance and prepare for opening	
Quendale Mill Prepare Mill for seasonal opening	
Tangwick Haa review display lighting and undertake works as required to prepare for seasonal opening	Minor repairs in December and display lighting upgraded prior to opening in April 14
Old Haa Burravoe Assist Old Haa trust with funding application for re-roofing building	Funding application successful. Preparatory works to replace roof undertaken in 2013. Re-roofing construction works planned for Q2 14.
Skate Park	Carried out site preparation works for SIC prior to main contractor occupying site.
Bod of Gremista Fire Damage Preparatory work for seasonal opening	Renovated and repaired building interior for SIC.
Salloway Museum Various repairs and minor upgrades as required prior to them setting up new displays.	All completed prior to season opening in April 14.
SNH Noss Minor repairs to chimney and walls of Bod.	Completed Q3 13.
Minor community works: Skaw Bridge repairs Meal Beach Path Seat and Barbecue area on Hildasay for use by visitors. Repairs to West Brig Removed old dwelling at Clavel and tidied site Hermaness access path repairs Etc.	



Shetland Islands Council

Executive Manager: Douglas Irvine
Director: Neil Grant

Mr James Moncrieff
 Shetland Amenity Trust
 Garthspool
 LERWICK
 Shetland
 ZE1 0NY

Our Ref: JD/RF709/DV028
 Your Ref:

Dear Sir

Shetland Amenity Trust Architectural Heritage Programme 2014/15

On behalf of Shetland Islands Council (hereinafter referred to as "the Council") I am pleased to offer Shetland Amenity Trust (hereinafter referred to as "the Grantee") a grant of £85,000 (Eighty Five Thousand Pounds), towards the running costs of the Architectural Heritage Programme 2014/15, run by the Grantee in line with Appendix 1 (2014/15 Service/Project Plan) subject to the following conditions: -

- 1 The grant will be paid by single bank transfer upon receipt of the Council's grant offer letter duly signed by authorised representatives of the Grantee; such grant offer letter to be issued near the beginning of the period specified in the offer.
- 2 The grant is offered to fund the Trust's work on Architectural Heritage for 2014/15 and will be allocated towards the cost of maintaining and improving built heritage assets, such as listed buildings, utilising traditional building methods and materials, conserving and recycling valuable or scarce materials and artefacts where practicable.
- 3 The Grantee undertakes to spend the grant, and any interest earned thereon, solely in the interest of Shetland and its inhabitants for the grant purpose specified in Appendix 1.
- 4 The Grantee undertakes to monitor the application of the grant by means of monthly financial management reports to meetings of its management board, such reports to be provided upon request to the Council's Director of Development Services or his nominee.

Economic Development
Development Services Department
 Solarhus
 3 North Ness Business Park
 Lerwick
 Shetland
 ZE1 0LZ

Telephone: 01595 744940
 Fax: 01595 744961
development@shetland.gov.uk
www.shetland.gov.uk

If calling please ask for
Jon Dunn
 Direct Dial: **01595 744951**
 Email: jon.dunn@shetland.gov.uk

Date: D R A F T

- 5 The Grantee will provide access to Officers of the Council, Internal Audit and External Audit to its operational and financial records upon receipt of written request for the purpose of following the trail of public money from the Council through the Grantee.
- 6 The Grantee will provide to the Council evidence that the Grantee is pricing all projects which are supported by the Council with full cost recovery such that the Grantee is not afforded any unfair advantage over the private sector when bidding for work, and that the Council is not double funding the Grantee.
- 7 The Grantee will provide, within six months of the end of the period for which the grant was given, audited accounts showing how the grant was applied and what surplus remains (if any). In particular the accounts should show that support was used in accordance with these conditions.
- 8 The Grantee maintains appropriate insurance cover, in amounts not less than £5,000,000 for Public Liability and £10,000,000 for Employer's Liability.
- 9 The Grantee will keep all buildings, equipment and other assets, which are the subject of or which relate to the grant offered, fully insured against loss and damage by fire, storm, theft, impact and such other risks as are appropriate, and vehicles shall be comprehensively insured; and you will exhibit the policies and receipts for the premiums to the Council on request.
- 10 The Grantee will not transfer, sell or discontinue its business, nor dispose of the assets which form the subject of this grant; nor use the buildings, equipment or other assets which are the subject of this grant for any purpose other than the approved project.
- 11 The Grantee will maintain the equipment or other assets that are the subject of, or relate to the grant offered, and keep them in good condition; and will permit any person authorised by the Council to inspect them on request.
- 12 The Grantee will maintain and operate its premises and equipment in such a way as to conform, to the satisfaction of the Council, with current Health and Safety at Work Legislation.
- 13 In the event of any breach of the foregoing conditions the Council may, at its sole discretion, require repayment of all or part of the grant, by the grantee and may also disqualify the Grantee from receiving any other assistance in terms of the Schemes operated by the Council. If the property/equipment for which grant assistance was received is sold, transferred or otherwise disposed of within the five years from receipt of grant, the new owner must accept the grant conditions for the remaining period, failing which the grant will be repayable by the Grantee in full, at the date of sale or transfer.
- 14 Grant recipients must inform the Council of any changes in their circumstances affecting the grant conditions, in particular if the grantee gives up the business for which grant assistance was given.**
- 15 The Grantee will supply on request any additional information the Council may require to monitor the conditions under which grant is made.

- 16 Unless otherwise agreed in writing by the Council, these conditions shall endure under this offer for a period of 5 years from the date of the last payment of the grant.
- 17 The Council reserves the right to ascertain the amount of arrears of debt, if any, owed to the Council by applicants for assistance and to withhold payment of any assistance granted until such time as the arrears have been cleared or satisfactory arrangements have been made to clear such arrears.

If these conditions are acceptable please sign and date this letter and return it to me as soon as possible.

A copy of this letter is enclosed for your retention.

The Council reserves the right to publicise the assistance to the Grantee and to include it in a public record of cases, both to demonstrate how its resources are used and to give examples of the types of development it is able to assist. The Grantee shall ensure that any publicity given to the Project contains an acknowledgement of the Council's funding support and shall display in a prominent place, any plaque, sticker or logo as the Council may require.

Yours faithfully

Executive Manager

Enc

I, (name in full) being an authorised signatory of
Shetland Amenity Trust, accept the offer of grant on the conditions specified in this letter.

Signed: Date:



Development Committee

16 June 2014

Historic Scotland Conservation Area Regeneration Scheme (CARS)

Report No: DV030-F

Planning Officer**Planning Service / Development
Services Department****1.0 Summary**

- 1.1 The purpose of this report is to provide the Development Committee with details of the Historic Scotland Conservation Area Regeneration Scheme (CARS) and to gain approval for the development of a funding bid relating to the Lerwick Lanes Conservation Area.

2.0 Decision Required

- 2.1 The Committee RESOLVES to support the development of a funding bid to Historic Scotland for a Conservation Area Regeneration Scheme in the Lerwick Lanes Conservation Area.

3.0 Detail

- 3.1 Since 2005 Historic Scotland has administered the Conservation Area Regeneration Scheme. Following the success of previous rounds the Cabinet Secretary for Culture and External Affairs has announced that a further £10 million has been made available for a 6th round of the scheme. Any potential funding bids must be submitted to Historic Scotland by 31 August 2014.
- 3.2 Twenty-three of Scotland's 32 local authorities have already benefitted from CARS funding including Orkney and the Western Isles. Historic Scotland wish to maximise the spread of the funding from this scheme and as such priority will be given to those authorities and Conservation Areas who have not previously benefitted from the programme. Shetland Islands Council has not previously received CARS funding.

- 3.3 Appendix 1 sets out a project brief for the enhancement of the Lerwick Lanes Conservation Area. This demonstrates the areas suitability as a candidate for a CARS funding bid.

4.0 Implications

Strategic

- 4.1 Delivery on Corporate Priorities – The project is well aligned with the Corporate Plan's priorities of helping to build a healthy economy and strong communities and working with all our partners to achieve the best results possible. The project contributes to the Council's single outcome agreement particularly outcomes (e) and (g).
- 4.2 Community /Stakeholder Issues – Appendix 1 sets out the stakeholders identified in delivery of this project. The development of a funding bid of this type requires input from a number of council departments as well as the private sector. The Council's Planning Service continue to liaise with Living Lerwick Business Improvement District in order to engage and consult business owners in the town centre.
- 4.3 Policy and/or Delegated Authority – The development of this project is consistent with policies contained in the current Local Plan, particularly LPCOM6, LPBE8 and LPBE10. In addition this project is well aligned to policies in the proposed Local Development plan, particularly ED3 and HE3.

The Development Committee has delegated authority to implement decisions within its remit, in accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations.

- 4.4 Risk Management – The Lerwick Lanes Conservation Area displays the characteristics of underinvestment, if the Council does not progress an application for funding through the Historic Scotland CARS fund an opportunity for much needed investment in the area could be lost.
- 4.5 Equalities, Health and Human Rights – This project has the potential to improve the attractiveness of the Town centre as a civic space to be enjoyed by all. Planning and improvement of the built environment to create safe and attractive places can contribute to healthy living outcomes.
- 4.6 Environmental – The development of this project could make a positive contribution to the environment of the town centre by preserving and enhancing its unique built heritage.

Resources

- 4.7 Financial – There are no specific financial implications associated with this report. Any financial implications identified in the development of the funding bid will be detailed in a future report for Members approval.
- 4.8 Legal – None.

- 4.9 Human Resources – The development of the project will require input from a number of Council Services. The Planning Service will lead on the development of the project and this will be resourced from the existing team.
- 4.10 Assets and Property – Any properties the Council own within the Lerwick Lanes Conservation Area will be considered in the development of any funding bid.

5.0 Conclusions

- 5.1 Shetland Islands Council is one of only nine local authorities in Scotland not to have received funding from the Historic Scotland CARS fund. The historic town centre is displaying characteristics of underinvestment in recent years.
- 5.2 The Lerwick Lanes Conservation Area fits well with Historic Scotland's priorities for the delivery of the 6th round of CARS funding and if successful an application to Historic Scotland would bring external funding over a 5 year period to the area.

For further information please contact:
Laura Fiske, Planning Officer
01595 744832 Laura.fiske@shetland.gov.uk
Date Finalised: 05 June 2014

List of Appendices

Appendix 1 – Lerwick Lanes Conservation Area Enhancement Project Brief

Background documents

None.

END

Lerwick Conservation Area Enhancement Project

Introduction and Background

The Lerwick Lanes Conservation Area was designated in 1975 in recognition of its waterfront setting, its unusual town plan and buildings worthy of preservation. The area also has a vital role as the town centre for Lerwick. Recently it has become evident that the Conservation Area is in an unacceptable state of disrepair.

Although the town centre area has been the focus for significant regeneration projects previously, there has been limited success in restoring a sense of civic pride to this historic area. The primary emphasis of these programmes has been to introduce new features to the area in an attempt to bolster the vitality of the town centre, with the areas conservation status being a consideration but not a primary motivating factor. This has meant that short term improvements have not had a wider reaching impact in terms of maintaining the fabric of the conservation area and improving the experience of visiting the town centre as a destination.

Given that the town centre is designated as a conservation area it is essential that we develop a policy framework that befits the need to develop the area, recognising and prioritising the importance of the role town centres play in the plans for sustainable economic recovery and growth, whilst ensuring that the correct regulatory processes are in place to protect and enhance the unique character of the conservation area.

In 1991 the Council's Planning Service produced a vision for Lerwick Waterfront which stimulated considerable investment in high quality regeneration of the area. The successful redevelopment of the area provides an extension to the traditional retail based town centre and brings forth a cultural element to the mixture of town centre uses. The development of the area has been highly commended and the project was named overall winner of the Scottish Awards for Quality in Planning in 2008 and more recently the area has been shortlisted in the Royal Town Planning Institute's 'Scotland's Best Place' Awards 2014.

By providing this extension of the town centre the area acts as a stimulus for increasing footfall within the core town centre area. The Scottish Governments Town Centre Review cites footfall as a key factor in sustaining the vitality and viability of the town centre, it is therefore essential that we ensure that the core town centre area is pleasant and welcoming destination.

The waterfront regeneration area is not in competition with the historic town centre and was designed to complement the area. However, there has been a continual deterioration in the condition of the historic town centre in recent years. The success of the Waterfront Regeneration project has been recognised nationally and should be used as a catalyst for regeneration within the historic core of the town centre. Historic Scotland's Conservation Area Regeneration Scheme provides an opportunity to gain substantial investment within the Lerwick Lanes Conservation Area through partnership working between the public and private sectors.

Scope of Project

The scope of the project is to identify the issues within the Conservation Area and establish projects and initiatives to be included in a funding application to the Historic Scotland Conservation Area Regeneration Scheme.

Objectives

1. Establish a working group across SIC Development Services and Living Lerwick Business Improvement District to establish potential projects for the enhancement of the Lerwick Lanes Conservation area.
2. Submission of an application for funding from Historic Scotland to enable the development and delivery of regeneration and conservation initiatives within the Lerwick Lanes Conservation Area through the Conservation Area Regeneration Scheme (CARS).

Desired Benefits

The primary benefit arising from the two project objectives is an improvement to the condition of the Lerwick Lanes Conservation area through regeneration and future conservation.

Achieving these objectives will have subsequent benefits such as:

1. Aligning planning policy with the findings of the Scottish Governments Town Centres Review and Action Plan.
2. Partnership working will allow a multi-disciplinary discussion around the town centre conservation area and how it should and can evolve in the future. This will allow stakeholders to work together to develop an overarching vision for the area that will be the starting point for the development of a policy framework/action plan.

Stakeholders

Stakeholders in the development of this project have been identified as follows:

SIC Planning Service – The Planning Service will lead and co-ordinate the project. The Development Plans team is responsible for developing this project brief and progressing the funding application. Development Management are responsible for ensuring any development within the area is appropriate and in line with both local and National policy and legislation. The Planning Service as a whole will be progressing a new policy framework for the area in parallel with this project.

SIC Community Planning - This project is aligned to the priorities that underpin the Shetland Community Plan particularly creating safe, vibrant and sustainable communities. The project is particularly well aligned to Single Outcome Agreement outcomes (e) and (g)

(e)Shetland has sustainable economic growth with good employment opportunities and our people have the skills to match, good places to stay and the transport people and businesses need

(g)We deliver all our services in an environmentally sustainable manner to safeguard and enhance our outstanding environment which underpins all our actions and our economic and social well-being.

Community Planning provides an over-arching framework for partnership working in Shetland.

SIC Economic Development - The research, strategies and surveys delivered by The Economic Development Service will provide useful information to be included in the development of the project. In particular the 2012/2013 visitor survey provides a good snapshot of visitor's impressions of Lerwick. An over-arching theme of The Shetland Tourism Plan 2011-2014 is the need to act creatively and make more of our existing resources, businesses and product opportunities. The enhancement and protection of the Conservation Area and its role as the town centre is pivotal to this aim.

SIC Roads Service – The Roads Service are responsible for the maintenance and improvement of street lighting, barriers, signs and other items of roads infrastructure and planning and carrying out works. As well as this through the Roads Service's design and safety remit they are responsible for traffic management and road safety studies and scheme. Many of the potential projects for enhancement in the area are triggered by vehicular access on Commercial Street and the stress this has created on the fabric of the Conservation Area.

SIC Environmental Services – A number of statutory services such as street cleaning, waste disposal and anti social behaviour and nuisance complaints are provided by this Service in the Conservation Area.

Living Lerwick Business Improvement District – The BID invests collectively within the town centre area. The Living Lerwick Business Plan contains a number of projects for the improvement of the town centre. The Planning Service has been working closely with Living Lerwick on the development of their infrastructure based projects relating to the physical fabric of the town centre. Living Lerwick is keen to be involved in the development of the funding application and is committed to the enhancement of the town centre. Living Lerwick provide a vital link between the Council and the businesses and property owners.

Development of the Funding Proposal

The Conservation Area Regeneration Scheme is administered by Historic Scotland.

The maximum amount of funding from the CARS fund is £2 million. Currently Historic Scotland envisages the current available programme funding being allocated as 2 awards of £2 million, a few of £ 1 million and then a range of smaller awards.

Within the application guidance Historic Scotland State that *'Priority will be given to those authorities and Conservation Areas who have not previously benefited from the programme and places that have demonstrable social and economic disadvantages which affect their capacity to support sustainable regeneration. We also intend to target areas where there has been a clear period of under investment via support from Historic Scotland's other repair grant streams.'*

Although previous SIC conservation grant schemes have been supported by Historic Scotland Lerwick Lanes Conservation Area has not previously benefitted from the CARS programme. The condition of the Conservation Area at present is characteristic of a period of under investment in the area. Although, it should be noted that, the level of underinvestment in the Conservation Area is not simply a lack of support from Historic Scotland but a general apathy regarding the condition of buildings from property owners in the area.

Historic Scotland state that resources will also be targeted towards Conservation Areas:

- which clearly contribute towards the Scottish Government's Economic and Regeneration Strategies;
- The Shetland Islands Council Economic Development Policy Statement 2013-2017 is consistent with the priorities and objectives of the Scottish Government Economic Strategy and contributes to the delivery of sustainable economic growth locally and nationally. Lerwick plays an integral part in the delivery of this sustainable economic growth. Lerwick Town centre lies within the conservation area and provides an important function as a cultural and administrative centre for Shetland.

- that are highlighted as being a priority for investment through Development Plans and by Community Planning Partnerships;

- The proposed Local Development Plan contains Policy ED3 Lerwick Town Centre which states that:

The Council supports the ongoing regeneration and development of the Lerwick town centre to ensure the future vibrancy, vitality and sustainability of the area. Supplementary Guidance – Lerwick Town Centre outlines priorities for the town centre and provides detailed guidance on town centre developments.

As previously mentioned Lerwick Town centre lies within the conservation area and the above policy demonstrates a commitment to development and enhancement of the area.

Policy HE3 – Conservation Areas outlines the importance of sympathetic and appropriate development within Conservation Areas in Shetland.

- where our support can be demonstrated to be adding value to any wider package of public and private investment and action;

- Support from Historic Scotland would compliment a number of the projects outlined in the Living Lerwick Business Plan. With support from SIC the BID hope to progress projects that will improve the quality and environment of Lerwick Town Centre linked to local and national initiatives and funding. The desired benefits of the 'Improve what we have' section of the Living Lerwick Business Plan are to reduce the costs of property improvement and maintenance to improve the visual appearance of the area, making it a more attractive environment for the public. There is widespread recognition from the Living Lerwick board that there are severe issues relating to the physical fabric of the conservation area and the lack of ongoing maintenance having a detrimental impact upon buildings and the general character and appearance of Commercial Street. Money has been allocated from the BID Levy revenue for projects relating to the improvement of the physical fabric of the area as well as developing a heritage trail relating to the herring industry.

SIC Roads Service has works programmed for the town centre area. Colin Gair of the Roads Service has been contacted for details of the proposed works in order to establish how these can be included in the development of any proposed funding application.

- that are being actively managed in line with best practice set out in *Planning Advice Note 71: Conservation Area Management*; and

- In 2010 a Character Appraisal was commissioned by Shetland Islands Council Planning Service for each of the 3 designated Conservation Areas. The Appraisals:
 1. define the special interest of the conservation area and identify the issues that threaten the special qualities of the conservation area;
 2. provide guidelines to prevent harm and achieve enhancement;
 3. provide Shetland Islands Council with a valuable tool with which to inform its planning practice and policies for the area.

An Article 4 direction was served in 1975 in the Lerwick Lanes Conservation Area. The Article 4 controls alterations to dwellings, such as new windows and front doors, porches, front boundaries and painting through the need for planning permission. It is envisaged that the Article 4 will be revisited and updated to encompass further development types within the area during an up and coming Policy review.

- Where there is evidence of strong local commitment for heritage-led regeneration.
 - Shetland has a long standing record of heritage-led regeneration projects. As previously mentioned Living Lerwick have committed to developing an art trail throughout the Conservation Area based on the town's historical links with the herring Industry reflecting the cultural and economic heritage of the town as it has developed and changed. The Infrastructure Director for Living Lerwick, Emma Gibson, is developing this project with support from the Planning Service, Shetland Arts and other BIDs Members who are not part of the Board. Funding applications are currently being progressed relating to this project.

The CARS scheme will fund:

1. A repairs programme for priority projects.
2. A small grants scheme (such as to homeowners or retailers)
3. Community engagement through providing training opportunities in traditional skills and through education programmes.
4. Training opportunities for traditional craftsmen (a minimum of 5% of the award – this element will be delivered in partnership with HS).
5. Public realm conservation and restoration (up to 20% of the award)
6. Administration costs including the appointment of a dedicated project officer (normally up to 10% of the award).

The following works are not eligible for Historic Scotland CARS funding:

Alterations and improvements – this includes all new work and additions to a building. Works carried out to comply with the Disability Discrimination Act (2005) are not eligible but it is recognised that environmental enhancement projects need to comply with the provisions of this Act. Within each project, all reasonable provision must be made to make the Subjects fully accessible.

Maintenance and minor repairs - works that should be carried out by property owners on a regular basis to keep their building from deteriorating.

Demolitions - the removal of any part or element of a building as well as the removal of complete structures. In very exceptional circumstances, we may fund careful dismantling prior to reinstatement; making good historic fabric after the removal of later work which alters or obscures the original design of the building; and where careful dismantling is carried out as part of an agreed scheme of reinstatement.

Potential Projects within the Lerwick Lanes Conservation Area

There are 4 main themes that projects eligible for CARS funding can be designated under.

1. Priority Buildings:

1. Establish a list of priority buildings in the area in need of urgent action. This could be achieved by working with the Council's Assets and Properties Service and Living Lerwick in order to engage with property owners. If possible a condition survey should be commissioned as part of the project as a whole and built in to the funding application.
2. Establish vacant properties within the area and determine whether there is scope for bringing any of these building in to re-use.
3. Shop Frontage Improvement Scheme. Many shops in the Conservation area have features from the original shop frontages that could be improved to enhance the features. If there are instances where traditional frontages have been lost archive photographs could be used to establish reinstatement of the original features.

2. Small Grants Scheme:

The administration of a grants scheme would be beneficial in the area to assist property owners/tenants to carry out high quality works to properties using traditional materials and craftsmanship within the Conservation Area. The grants could cover works such as:

- Structural repairs
- Roofing repairs
- Render, stonework repairs and repointing
- Removal and replacement of guttering
- Replacement windows/doors
- Reintroduction of the paint scheme
- Refurbishment and restoration of original architectural features

There is potential for the development of a signage scheme with associated grant funding towards replacing poor signage with more traditional signs using approved materials. This could also be incorporated in to the training and education scheme.

3. Public Realm Works:

Although money from the TCRF was spent on upgrading the public realm in the area it has been noted that the general condition of the streetscape is poor and does not have the desired effect of making the town centre a destination where people want to spend leisure time.

In certain areas of Commercial Street paving slabs have been replaced using tarmac. This really detracts from the character of the Conservation Area and in some areas this poses a safety risk as the surface is very uneven. Repaving of the problem areas with stone flags would be beneficial in improving the overall appearance of the area.

There are a number of different lighting styles and lighting colours throughout the Conservation area ranging from replica traditional style lighting to modern security lighting. Lighting in the lanes is particularly sporadic and of varying degrees of quality. The area would benefit from a review of lighting and a more uniform higher quality style adopted.

Many of the buildings within the Conservation Area have items of redundant infrastructure attached to them such hooks, alarm systems and rainwater goods that are no longer in use but have not been removed. This issue occurs across the conservation area. Removal of these items would be beneficial to both the fabric of the buildings and the overall appearance of the area. In addition in particular areas there are a series of trailing wires going between buildings and in some cases in front of the windows of businesses again this is unsightly and could also be hazardous.

Some railings within the area (Commercial Street and within the Lanes) are in poor condition and would benefit from replacement. Living Lerwick are working on the development of the Herring Industry heritage trail and believe that piece of art associated with the trail could be incorporated in to some of the railings in the area.

Harrison Square has undergone some improvements recently and has been utilised as a market area/performance stage. However, the area remains fairly uninviting for members of the public to utilise the space for recreation. A project could be developed in conjunction with the community and Living Lerwick to improve the space and ensure it becomes a high quality area for the public to spend time in.

4. Training & Education:

There are a number of training and education initiatives that could be developed as part of CARS funding bid:

Community Seminars and Workshops offered to a range of individuals from property owners, business owners, Council Officers, developers and members of the community in order to discuss the importance of the areas status as a Conservation Area and traditional maintenance techniques. Different workshops could be targeted to each audience with appropriate topics and themes.

As mentioned previously in the small grant scheme section there is potential for the development of a shop signage scheme. A workshop exploring traditional shop signage style and techniques could be targeted towards property/business owners. This would then be complemented by a grant scheme that business owners can access in order to meet some of the cost of reinstating traditional signage on their premises.

Working with Shetland College, local contractors and Historic Scotland a series of short courses on conservation techniques could be developed and delivered. This is crucial to the long term sustainable development and preservation of the conservation area because it is vital that the skills to carry out high quality repairs are available locally.

Risks

As mentioned previously the Conservation Area is displaying the characteristics of underinvestment and as such if the Council does not submit the application then an opportunity for additional improvement may be lost.

The guidance notes provided for developing a funding bid by Historic Scotland does not specifically outline any match funding requirement. However Historic Scotland states that *'Our support would supplement financial resources and support in kind from the local or national park authority, private owners and other funding partners.'* There is a risk that property owners may be unwilling or unable to engage in the project and invest money.

Resources

This project will require input from a number of SIC Departments, mainly from within the Development Services Directorate. Although it is envisaged that input may be needed from other Council departments in order to acquire costing for works.

The project will be led by the Planning Service and any time spent on the development of the project will be resourced from the current team.

As mentioned in the risk section there are not clear stipulations in the guidance regarding match funding, however, it is implied that Historic Scotland funding would be part of a wider package of investment. At present Living Lerwick have an annual budget for infrastructure projects within the area and the bid is being developed in partnership with them therefore this demonstrates commitment to investment in the area. It is likely that other funding sources would need to be investigated as part of this bid.

Conclusions

Lerwick Lanes Conservation Area is suffering from a period of underinvestment. The Historic Scotland Conservation Area Regeneration Scheme presents an opportunity to attract funding in to the area and ensures that any improvements are carried out in line with the areas conservation status.

There are a number of potential projects which can be developed in order to improve the overall appearance and condition of the area. Many of these are well aligned with the ambitions of the Living Lerwick Business Improvement District operating in the area, it is anticipated that this will facilitate partnership working between the two.

Overall the evidence in this paper suggests that the Lerwick Lanes Conservation is a strong contender for grant funding as it fulfils the criteria and priorities set out by Historic Scotland in their funding guidance notes.

**Development Committee****16 June 2014****Statement of Intention for Protecting Shetland's Marine Environment**

Report No: DV027-F

Executive Manager – Economic Development**Economic Development Service/
Development Services Department****1.0 Summary**

- 1.1 This report has been prepared to obtain the Development Committee's and then Council approval for a completed policy statement on protecting Shetland's marine environment. Organisations in Shetland with an interest in the marine environment have been consulted on the Policy Statement, and it has received favourable support and a final version agreed.

2.0 Decision Required

- 2.1 That the Development Committee RECOMMENDS that the Council resolves to accept the completed Statement of Intention for Protecting Shetland's Marine Environment as detailed in Appendix 1.

3.0 Detail

- 3.1 The draft Statement of Intention was drawn together for the purpose of making Shetland's views on the value of our marine environment clear. An initial discussion at the Development Committee on 22 January 2014 [Min Ref 03/14] set up a consultation phase on the policy which has been completed successfully. All organisations that responded did so favourably and some made suggestions for minor improvements, which have been included. A completed version of the policy was put before the Fisheries and Aquaculture Support Group on 1 April 2014 and was agreed with no further changes. Having an agreed Statement of Intent for Protecting Shetland's Marine Environment will place the Council in a stronger position when discussing marine policy development with all levels of Government and potential developers working in the marine environment. The draft Statement has, for

example, helped to inform the marine policy aspects of the Our Islands Our Future debate with the Scottish and UK Governments.

- 3.2 The Statement should be regarded as a political dimension to the successful Marine Spatial Plan that Shetland has in place and which sets out the agreed Council policies for marine development and marine resource use.

4.0 Implications

Strategic

- 4.1 Delivery on Corporate Priorities – The Statement of Intention is a strong fit with the Healthy Economy –Strong Communities section of the Corporate Plan 2013-17.
- 4.2 Community /Stakeholder Issues – The preparation of the Statement of Intention has included a consultation exercise with interested parties and a discussion at the Fisheries and Aquaculture Support Group.
- 4.3 Policy and/or Delegated Authority – One of the objectives of the Council's Economic Development Policy Statement 2013-17 is to "develop local control and management of resources". This report complies with that objective.

The Development Committee has delegated authority to implement decisions within its remit, in accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations.

However, determining the overall goals, values and strategy framework, or matters of new Policy, is reserved to the Council.

- 4.4 Risk Management – An agreed Statement of Intention for Protecting the Marine Environment should clarify what the Council's position is on a number of marine related issues. Better defined policy usually results in clearer understanding in discussions and reduces the risks associated with indecision and poor communications.
- 4.5 Equalities, Health and Human Rights – None.
- 4.6 Environmental – A policy to help conservation of the marine environment would be a positive step for keeping development in line with sustainability.

Resources

- 4.7 Financial – The actions, measures and risk management described within this report will be delivered within existing approved budgets.
- 4.8 Legal – The main reason for having a Statement of Intention to Protect the Marine Environment is to guide discussion on issues that may lead to a change in Government policy and possible changes to laws. A strong legal input would be required should the Council engage on some of the detail included in the Statement of Intent.

4.9 Human Resources – None.

4.10 Assets and Property – None.

5.0 Conclusions

5.1 The Council is continually engaging with Government and industry on developments in the sea around Shetland. Having an agreed Statement of Intention for Protecting Shetland's Marine Environment, which has been consulted on, will place the Council in a stronger position in such policy discussions.

For further information please contact:

Douglas Irvine, Executive Manager- Economic Development

01595 744932 Douglas.Irvine@shetland.gov.uk

Report Finalised: 06 June 2014

List of Appendices

Appendix 1 –Statement of Intention – Protecting Shetland's Marine Environment

END

Appendix One

Statement of Intention

Protecting Shetland's Marine Environment

Shetland Islands Council recognises that the sea around Shetland provides the resources that have ensured nourishment and prosperity in our community for thousands of years. The proper stewardship of our marine environment works best when the people who interact most with it are involved in its protection and commercial use. This is exemplified by the development of the Shetland Marine Spatial Plan that the Council has agreed to adopt as Supplementary Guidance to its Local Development Plan.

International competition for marine resources continues to increase. Hydrocarbon exploration, renewable energy, fisheries, transport, tourism and leisure activities all have an impact. Making the most of commercial opportunities while protecting the eco system of the sea is a vital equation that needs the utmost care and attention. The purpose of this Statement is to make clear to all levels of Government that the people who depend most on the sea for their living should have greater involvement in marine resource policy development and decision making.

First of all the Council insists that the EU principle of subsidiarity (As defined in Article 5 of the Treaty on European Union – the principle of subsidiarity ensures that decisions are taken as closely as possible to the citizen) should apply to the marine environment and that this principle should be enforced by the UK and Scottish Governments. Subsidiarity should extend down to the lowest practicable delivery level. For example, designated marine protected areas.

Second, the powers of the ZCC Act should remain and should be promoted as an example of good practice for empowering local control of development in the marine environment. These powers should be protected whatever changes take place in Scotland's sovereign status.

Third, that Shetland, along with other coastal communities, is given more say in the policies that govern the use of the seabed, administered by the Crown Estate Commission. Revenue raised from renting the seabed should be distributed more equitably to ensure sustainable development and protection of the marine environment and the communities that depend on the sea in the areas where development is proposed.

Fourth, that Government at all levels understands that better local fisheries management systems will help to make the Common Fisheries Policy work better as a framework that can protect fish stocks for the international fishing community. In particular, we need the UK and Scottish Governments to support Shetland's efforts to use the fish quota and licensing system to pilot a

project for a practical solution to the “discard ban” under the Common Fisheries Policy.

Fifth, the success of the Shetland Shellfish Management Organisation, which has protected the marine environment while keeping a successful inshore fishery operational, needs to be promoted as an example of best practice to the whole EU, and needs to be built on.

Sixth, the identification of marine conservation and marine protection methods should begin with the involvement of both the fishing and local communities who understand the sea best. The Shetland agreement to restrict sand eel fishing in the 1990s for environmental reasons is a good example of the practical approach that could be delivered.

Seventh, the lead body for the Marine Planning Partnership should be the local authority for that area where the Scottish Marine Region comprises a single Local Authority. The Local Authority would ensure that National and European environmental objectives were met as well as implementing local regulatory measures.

Eighth, the marine licensing system should be transferred to those Local Authorities that seek it, as prescribed in the Marine (Scotland) Act 2010, for reasons of subsidiarity and to ensure local accountability, transparency, better integration of land and marine planning, better environmental planning and improved community planning.

Ninth, the Council should have involvement in the development of future fiscal, regulatory and licensing regimes for Oil and Gas development and extraction in the North Sea and Atlantic Continental Margin. This should include strong local influence and control in marine safety and environmental protection to make sure current extraction using aging infrastructure and future development in very challenging conditions do not compromise the islands’ natural environment or safety in the seas around us.

Tenth, arrangements should be made to ensure direct financial and other community benefit are secured from current and future Oil and Gas development with additional arrangements to ensure further significant island participation in Oil and Gas support and supply chains, including decommissioning. This is to secure sustainable development, protection of the environment and support for communities that depend on the seas where development is taking place.

Eleventh, arrangements should be made to ensure direct financial and other community benefits are secured from developers of marine renewable energy projects. Such developments must link to the local supply chain, offer local employment opportunities and contribute to a community development fund.

**Development Committee****16 June 2014****Digital Shetland (2014-2017)**

Report No: DV029-F

Project Manager – Shetland Telecom Project**Economic Development Service/
Development Services Department****1.0 Summary**

- 1.1 This report has been prepared to obtain approval from the Development Committee and Council for a comprehensive strategy on improving telecommunications in Shetland.

2.0 Decision Required

- 2.1 That the Development Committee RECOMMENDS that the Council resolves to accept the Digital Shetland Strategy 2014-2017, as detailed in Appendix 1.

3.0 Detail

- 3.1 The original 'Digital Shetland' strategy document was approved by Development Committee on 22 June 2011 [Min Ref 39/11]. The primary aim of the strategy was the provision of a Point of Presence (PoP) in Lerwick from which telecommunications service providers could access resilient fibre optic backhaul connections to the UK. This has proved to be successful with a number of Service Providers using the PoP to deliver services.
- 3.2 The telecommunications industry is fast moving and ever changing, and a refresh of the original Digital Shetland strategy is required which reflects this.
- 3.3 UK Government and Scottish Government initiatives such as the Broadband Delivery UK (BDUK) programme and the Mobile Infrastructure Plan (MIP) will provide Shetland with the opportunity to access better services. We need a coordinated approach to maximise the benefits locally.

4.0 Implications

Strategic

- 4.1 Delivery on Corporate Priorities – The strategy is an integral element of the Healthy Economy –Strong Communities section of the Corporate Plan 2013-17. The Shetland Islands Council Corporate Plan commits to making high speed broadband available to 84% of the population by 2017
- 4.2 Community /Stakeholder Issues – Consultation is continuing with HIE / BT and every opportunity is being sought to work cooperatively with the HIE BDUK project. Regular contacts are maintained with community groups in Yell and Unst as well as West Burrafirth, Fetlar and Vidlin. The requirements of the Shetland Islands Council's ICT Service are incorporated into Shetland Telecoms service needs cases along with those of other stakeholders.
- 4.3 Policy and/or Delegated Authority – One of the objectives of the Council's Economic Development Policy Statement 2013-17 is to "Provide high speed Digital Broadband in Shetland". This report complies with that objective.

The Development Committee has delegated authority to implement decisions within its remit, in accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations.

However, determining the overall goals, values and strategy framework, or matters of new Policy, is reserved to the Council.

- 4.4 Risk Management – An agreed strategy will clarify what the Council's position is on telecommunications provision in Shetland. A better defined strategy will result in clearer understanding in discussions with Government, Development Agencies and Telecommunications Providers, thus reducing the risks associated with indecision and poor communications.
- 4.5 Equalities, Health and Human Rights – None.
- 4.6 Environmental – None.

Resources

- 4.7 Financial – The actions, measures and risk management described within this report will be delivered within existing approved budgets.

Any extension to the project will progress through proper channels including appropriate committee and gateway reports

- 4.8 Legal – The strategy has been developed to ensure that the intentions of the Council are compliant with telecommunications regulations and EU Competition regulations. Legal input would be required should the Council engage on some of the detail included in the strategy document.

4.9 Human Resources – None.

4.10 Assets and Property – Any further investment in assets will be covered by subsequent reports.

5.0 Conclusions

5.1 The Council has taken a very active role in the development and improvement in telecommunications in Shetland. This has been achieved through actual deployment of network and also through political influence, negotiations and discussions with a wide range of stakeholders including Government, service providers and communities. The Digital Shetland strategy will provide focus for future efforts and will ensure that development is done in a coordinated manner with clear objectives.

For further information please contact:

Marvin Smith, Project Manager, Shetland Telecom Project

01595 744921 marvin.smith@shetland.gov.uk

Report Finalised: 9 June 2014

List of Appendices

Appendix 1 – Digital Shetland 2014-2017

END

Digital Shetland

2014-2017



The Vision

The Shetland Islands Council's adoption of the 2011 Digital Shetland strategy paved the way for the most significant change to telecommunications in Shetland for many years.

Guided by this strategy the Council's investment in fibre optic infrastructure has furnished communications providers with the means to deliver services to customers in Shetland that are equivalent to or better than those available in many areas of the UK mainland. The focus now has to be on how consumers and businesses can fully benefit from the advantages of improved telecommunications.

There is still much to do and this document sets out the priorities and strategy to achieve a fit for purpose telecommunications infrastructure for generations to come.

Introduction and Background

The Shetland Islands Council believes that fast and reliable broadband throughout Shetland will be both transformational and will have a significant positive impact for communities across the isles.

The ever-increasing demand for digital technologies is as big an issue for Shetland as it is for the rest of the developed world. Modern business is now dependant on telecoms. Trading online, e-mail, networking, video conferencing are all vital for new and existing business. Even the traditional industries such as fisheries and agriculture depend on new technologies to trade. Service industries such as Finance, Creative Industries, Commerce, Manufacturing, etc., all need improved services.

The public sector is facing ever more pressure to deliver services more efficiently and at less cost. The use of telecommunications will be a key element in changing the way the public sector operates to ensure efficiency and improve the services provided to the public. Telehealth, Telecare, Video Conferencing and Online Learning are a manifestation of this need to provide better services at reduced cost. To support the full range of education, health and social services in remote and rural communities will necessitate advanced use of technology and communications. As communications services improve, specialist services that currently require expensive and time consuming travel will be offered remotely. In a rural community like Shetland the benefits of extending and improving these services is of paramount importance.

Through ingenuity and innovation the Shetlands Islands Council is delivering fibre optic infrastructure in Shetland which is of the highest standard and also open and accessible. By connecting to the Point of Presence (PoP) based at Lystina in Lerwick, telecommunication providers can gain access to a fully fibre optic, open access, resilient backhaul network. This PoP now provides services for a number of telecommunication providers which has in turn allowed them the opportunity to deliver services previously unavailable in Shetland.

The Council's investment in the fibre optic network has had a transformational effect on telecommunications in Shetland, however the domestic customer has seen little change. Ethernet and other business services have been greatly improved but it is fair to say that significant work now needs to be done to transfer the benefits of this new connectivity to homes and businesses across Shetland.

Access to Broadband

The principal network providing telecoms services to domestic users and the private sector in Shetland is the network owned and operated by BT.

All BT Exchanges in Shetland can deliver some form of ADSL (Broadband). Lerwick is currently the only area which delivers BT's 21-CN network (commonly referred to as BT's 'up to' 16Mbps service). The majority of the others deliver ADSL2 which can deliver speeds of up to 8Mbps. A few exchanges have 'Exchange Activate' which provides speeds of 0.5Mbps.

Working with Highlands and Islands Enterprise, BT will provide welcome upgrades to broadband services in many areas of Shetland through the UK Government's BDUK (Broadband Delivery UK) project.

The majority of upgrades will happen before the end of 2016.

Shetland Islands Council will support HIE, BT and any other communications provider to deliver improvements to broadband in Shetland.

The Digital Divide

While faster broadband will be appreciated where available, there remains a sizable percentage of communities and areas where little or no improvements are currently planned as part of the BDUK project.

It is important to note that the BT/HIE upgrade will be providing Fibre to the Cabinet (FTTC) solutions in the most part. The existing copper lines will provide the connection to the premise. The use of the copper means that speeds achieved in the home will be dependent on how far the property is from the cabinet. Any premise within 1.3km of the cabinet is likely to get 'Next Generation' (>30Mbps) speeds.

Connecting the rest of Shetland will be challenging but necessary to ensure all areas can access modern broadband services. Without access to improved services, digital participation, modern living and economically viable rural business will be compromised.

Broadband Targets

The Scottish Government has set the target for 85% of Scotland to get Next Generation Broadband (>30Mbps) by the end of 2015 and 95% by the end of 2017¹. By 2020 Scotland is to have 'world class' broadband infrastructure².

Highlands and Islands Enterprise have set a target of 75% of Shetland premises to get Next Generation Access³ by the end of 2016 through their BDUK scheme.

Shetland Islands Councils target is that 84% of the Shetland population should have access to high speed broadband by the end of 2017⁴.

It is unclear at the moment how many premises will actually receive 'Next Generation' speeds (>30Mbps) through the BDUK project but it is clear that if the Shetland Islands Council intends on ensuring 84% coverage then a significant amount of work is going to have to be done to achieve this.

Mobile

Mobile phone coverage in the islands is fragmented and in some areas nonexistent. Government initiatives such as the Mobile Infrastructure Project are progressing slowly while other schemes posit the delivery of superfast broadband over 4G mobile as the best means of achieving government targets for broadband penetration.

Shetland Islands Council will continue to work with mobile operators to further develop coverage and services in Shetland.

A recent survey by the Federation of Small Businesses puts Shetland last in terms of 2G/3G mobile phone coverage in Scotland (and therefore the UK).

Economic Growth and Sustainability

Many of the Shetland Performance Framework measurements⁵ are dependent on the islands having equivalent or better telecommunication services than those available to the rest of the UK.

Maintaining the number of economically active people in the isles, necessary to maintain and grow the Shetland economy, will require a real growth in population as the average age rises. Shetland will need to attract new businesses which will to a large extent be dependent on improvements in telecommunications. There is widespread agreement that fast and reliable broadband will be transformational and have the potential for significant savings.

¹ <http://www.digitalscotland.org/superfast-broadband/the-programme/>

² <http://www.scotland.gov.uk/Topics/Economy/digital/Digital-Dialogue/ExploringDigitalDialogue>

³ Next Generation Access means connected to but not necessarily getting Next Generation speeds

⁴ http://www.shetland.gov.uk/documents/Final5Corporate_Plan_Publisher_14_Aug_2013.pdf

⁵ Shetland Community Planning Partnership, "Shetland Single Outcome Agreement 2012/15," 3.

The 2011 Digital Shetland Strategy stated that Shetland Islands Council will

“.... complete the provision of a resilient broadband link to Lerwick; equip a Point-of-Presence in Lerwick; encourage existing telecommunication companies to make full use of the new telecommunications infrastructure; produce a plan to provide high-speed broadband to benefit peripheral communities....”

Having achieved these targets and with the ongoing development of the HIE/BT project there is a need to refresh the 2011 Digital Shetland Strategy.

The Way Forward

Further development of the islands telecommunications networks is needed to ensure that as many homes and businesses can access better services. Piecemeal improvements to the islands' networks without an overall strategy will result in a disjointed set of solutions that will not be cost effective, will be inefficient, and will result in networks that do not provide an optimal or all encompassing solution. Development of the networks needs to be planned to ensure the best results are achieved for Shetland, costs are kept to a minimum, the network is accessible and any investment is future-proof.

The benefits of cooperative working are already apparent as the backhaul networks are being utilised by communications providers to enhance their service offerings in the islands.

The Council's target of high-speed broadband availability to 84%⁶ of the Shetland population by 2017 is challenging and will only be reached by:

⁶ SIC, "SIC Corporate Plan 2013-17," 10.

- ✓ Working with communities, Government, regional development agencies and communications providers to extend and improve Shetlands access network
- ✓ Working with existing communications providers to deliver a broad range of domestic and business broadband services to customers
- ✓ Planning and delivering the rollout of new networks and providing world class connectivity to Community Hubs across Shetland
- ✓ Developing robust socio economic support for Shetland Islands Council capital funding to deliver improvements in telecommunications networks.

The innovative methods employed by Shetlands Islands Council is delivering fibre optic infrastructure in Shetland which is affordable, of the highest standard and also open and accessible. Communication providers access this fully fibre optic backhaul network through the Council's Point of Presence (PoP) at Lystina in Lerwick.

Large areas of Shetland will not see any improvements in service through the BDUK project. It will therefore be necessary to develop projects with communities to ensure that these areas, which will not benefit through the BDUK scheme, can access broadband services. Extending the Shetland Islands Council's network will ensure the availability of backhaul connections for Community Schemes as well as provide services to Council operations. The Council's own use of the network for communications between offices, schools and dispersed workers is an important technical and financial driver for future investment.

Open access to this network will be ensured so that existing and new communications providers can extend their services to end users.

Development of the network will be carried out in cooperation with communications providers, mobile operators, Shetland businesses, communities and the public sector.

We will:

- ✓ Design the network around the need to provide SIC premises across Shetland with a network that is able to meet their educational, business and service needs for the next 20 years
- ✓ Plan to replace those parts of the Council's network that are not able to meet the growing needs of Council users
- ✓ Design the network to support business growth
- ✓ Design the network to support and enable communities to access world class broadband
- ✓ Design the network around the needs of the wider public sector in Shetland
- ✓ Provide open access wholesale services on the Councils fibre optic network

It is critical that any investment is tailored to ensure that as many communities as possible can benefit from improved broadband connectivity. The UK Government's strategy to improve telecommunications supports the provision of Community Hubs across the UK. The Community Hub is a point within the community where a fibre optic backbone network terminates which can then be used to supply connections for a number of digital based services including: -

- Community broadband schemes
- Communications provider access networks
- Mobile phone operators
- Public sector sites
- Private sector customers

Working with stakeholders from the telecommunications industry, Government, local businesses and community groups, will identify likely locations for a Community Hub. These could be a Council/public sector building, a school, health centre, library, office, or a building owned by a communications provider i.e. a telephone exchange or a street cabinet.

The technology used for connecting the last mile will depend to a large extent on the needs of the customers in that location and the cost of making a connection to the Community Hub. The provision of linked Community Hubs allows communities to come together and decide which access network option best suits their needs.

In areas where there is an identifiable financial return, the access network might be provided by a communications provider. In other cases the access network may be installed by the local community.

We will:

- ✓ Identify where Community Hubs are required
- ✓ Design and cost each identified Community Hub and include these in the appropriate capital program gateway report
- ✓ Encourage and provide technical support for communications providers to deliver access network improvements
- ✓ Stimulate demand for improved broadband services
- ✓ Encourage and support Community Broadband Schemes
- ✓ Provide a blueprint for connecting to a Community Hub
- ✓ Work with communications providers to ensure that as broad a range of services as possible are available to end users in Shetland

Action Areas

Active participation and assistance will be required by a number of parties to achieve the level of telecommunications coverage and range of services that are required, including communications providers, Government Agencies and funding bodies.

Mobile

The most significant area for extending access coverage is the development of 4G and 5G mobile. The mobile phone industry in the UK, Europe, US and Asia is rolling out 4G coverage. 4G services can typically deliver speeds of 10Mbps to mobile devices and theoretically can achieve 40Mbps or more. In Shetland there is no 4G, very limited 3G and in many parts there is no mobile coverage whatsoever.

The UK Government's Mobile Infrastructure Project (MIP) is trying to eliminate mobile 'not-spots'. To date the project has been hampered by the cost of affordable backhaul. The mobile operators problem is that this cost in remote and rural areas is high while the number of potential customers is low making for a very difficult investment case.

We will:

- ✓ Work with mobile operators, infrastructure providers and Government agencies to develop a solution which will improve mobile services in Shetland.

Communications providers

The large UK communications providers have an important role to play in the development of improved services in Shetland. Any and all work done by Shetland Islands Council needs to assist them wherever possible and should not duplicate or replace commercial ventures.

We will:

- ✓ Work in partnership with communications providers wherever and whenever possible.

Community Broadband

Domestic customers will see improvements based on where BT roll out their Fibre to the Cabinet (FTTC) service. There will still be a sizable percentage of Shetland premises, possibly as many as 45%, which will see no improvement. The BDUK project does not have sufficient funds to extend this coverage, it is anticipated that reaching the final 25% of premises will cost three times as much as the first 75%.

Good reliable broadband is considered a vital part of modern living and working. Poor, or in some places no broadband, will render these areas useless for business and disadvantaged for modern living.

Community Broadband Scotland (CBS) has been established to provide advice, guidance and funding for community owned broadband schemes.

We will:

- ✓ Continue to provide guidance for communities seeking better broadband and encourage as many as possible to work with Community Broadband Scotland.

Economic Growth

It is critical for a modern economy to have access to the best telecommunications services available. It is also as important that businesses use these as effectively as possible to make their operations as efficient as possible. It is important that we understand the types of services required by business in Shetland and ensure their needs are met. We need to encourage as many businesses as possible to adopt new practices to fully benefit from the new telecommunications services available.

We will:

- ✓ Continue to work with business sectors and development areas to ensure that they can develop and grow.

Public Sector

As budgets come under pressure there is a growing need for the public sector to improve services and cut costs. New developments in Health Services, Social Services and Education can help achieve this.

We will:

- ✓ Continue to develop network solutions capable of delivering improved services for the public sector.

Scope

Digital Shetland sets out the aspirations for Shetland's telecommunications future. It is broad reaching but not all-inclusive.

Coordinating the work of agencies in Shetland and liaising with other national and international bodies will ensure that the best value and optimum results can be achieved. It will also be important to work with established communications providers to ensure that there is no unnecessary duplication of effort and that the maximum can be achieved with any investment.

The scope includes:

- ✓ Supporting the BDUK project. We will continue dialogue with BT/HIE to assist and deliver the local programme to maximise the benefits of the project.
- ✓ Identification of Communities who will not benefit from current BDUK project.
- ✓ Negotiating with Government agencies, the European Union, communications providers and mobile operators to ensure the best telecommunications solution for Shetland
- ✓ Working with other network owners and operators to ensure that a common set of standards are developed and implemented and to avoid duplication of network assets where possible
- ✓ Working with network operators to ensure that Shetland prices are comparable with those available on the UK mainland
- ✓ Liaising and cooperating with other public sector organisations in order to help meet the needs of these bodies in Shetland
- ✓ Ensuring that any investment is based on the best technology available and takes into account any and all developments in telecommunications
- ✓ Working with development agencies, Government departments, public sector bodies and communications providers. The project will need to ensure, value for money in the delivery of the network, the long term value of the asset, and its continued usability

The scope does not include:

- ✗ The provision of a Shetland access network
- ✗ Provision of mobile, fixed line or IP telephony

The Final Word

Shetland is a vibrant community, which has never been backward in stepping forward. Our resilient islands need resilient communications in order to compete, prosper and develop. This strategy continues down the path begun in 2011 which will ensure that Shetland remains at the forefront of commerce, creativity, innovation and education for generations to come.

The BDUK project provides a welcome and significant improvement for Shetland. Further development and improvements will however still be required. The target of 74% coverage is lower than most other areas of the UK. This coupled with having the worst mobile phone coverage means that we need a concerted and coordinated approach to further development of telecommunications services for Shetland if our community and businesses are going to prosper.

The rapid successes achieved so far make it easy to forget that the 2011 Digital Shetland strategy was born out of the long term failure of the market to develop adequate services in Shetland. As the Strategy evolves, the purely financial case will reduce further as each development becomes more remote. Modern life and modern business requires good telecommunications and that applies whether you live in Birmingham or Baltasound.

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